



U.S. Small Business
Administration

Agenda



- **EIDL Loan Overview**
- **PPP Loan Overview**
- **Resource Partners**
- **Additional Resources**
- **FAQs**

EIDL Loans



Economic Injury Disaster Update

- Available for all eligible small businesses
- Expires on December 31, 2020
- As of July 11, 2020, SBA stopped processing EIDL Advance requests, because program funds have been fully allocated. EIDL loan applications will still be processed, even though the Advance is no longer available.
- Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

ELIGIBILITY

- Small business owners and qualified agricultural businesses in all U.S. states and territories are currently eligible to apply for a low-interest loan due to Coronavirus (COVID-19).
- Agricultural businesses includes those businesses engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries.

Economic Injury Disaster Loans (EIDL)



3.75% interest rate for small businesses; 2.75% for private non-profits.



Long-term repayments up to 30 years



May be used for fixed debts, payroll, accounts payable and other bills affected by the disaster

EIDL Repayment

- No payments on EIDL loans for one year from date of note.
- Applicant will receive amortization schedule after loan is funded from the servicing department.
- Usually, applicant will be notified before applicant's bank account on file will be debited for payment. Applicant can also request to pay by mail or online payments.

How to Apply for EIDL

- The website for applying for EIDL is www.sba.gov/disaster
- You may also contact the SBA Disaster Customer Service Center (M - F 8:00 am to 8:00 pm, Sat/Sun 8:00 am to 5:00 pm Eastern Time)
 - 1-800-659-2955
 - e-mail disastercustomerservice@sba.gov
 - TTY: 1-800-877-8339
- If denied:
 - you get six months to provide a written reconsideration request with new supplemental information
 - If denied a second time, you get an additional 30 days to appeal

Application



DISCLOSURES



BUSINESS INFORMATION



BUSINESS OWNERS INFORMATION



ADDITIONAL INFORMATION



SUMMARY

STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.

The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

The estimated time for completing this entire application is two hours and ten minutes, although you may not need to complete all parts. You are not required to respond to this collection of information unless it displays a currently valid OMB approval number.

Application

ELIGIBLE ENTITY VERIFICATION

Choose One:

- ☐ Applicant is a business with not more than 500 employees.
- ☐ Applicant is an agricultural enterprise with not more than 500 employees.
- ☐ Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- ☐ Applicant is a cooperative with not more than 500 employees.
- ☐ Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- ☐ Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- ☐ Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative (but excluding all other agricultural enterprises), with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.


Application


Review and Check All of the Following:


Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):


- ☐ Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- ☐ No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- ☐ Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- ☐ Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- ☐ Applicant is not in the business of lobbying.
- ☐ Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.


Application


DISCLOSURES


BUSINESS INFORMATION


BUSINESS OWNERS INFORMATION


ADDITIONAL INFORMATION


SUMMARY

Step 1 of 3

Business Information

Business Legal Name *

Trade Name *

EIN/SSN for Sole Proprietorship *

Organization Type*

Application

Is the Applicant a Non-Profit Organization? *

☐ Yes ☐ No

Is the Applicant a Franchise? *

☐ Yes ☐ No

Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *

Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster

Non-Profit or Agricultural Enterprise Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)

Compensation From Other Sources Received as a Result of the Disaster

Application

Provide Brief Description of Other Compensation Sources

Primary Business Address (Cannot be P.O. Box) *

City *

State *

County

Zip *

Application

Business Phone *	<input type="text"/>
Alternative Business Phone	<input type="text"/>
Business Fax	<input type="text"/>
Business Email *	<input type="text"/>
Date Business Established *	<input type="text" value="mm/dd/yyyy"/>
Current Ownership Since *	<input type="text" value="mm/dd/yyyy"/>
Business Activity *	<input type="text"/>
Detailed Business Activity *	<input type="text"/>
Number of Employees (As of January 31, 2020) *	<input type="text"/>



PPP Loans

Payroll Protection Program (PPP)

- Application deadline extended to August 8, 2020.
- Must apply through a participating lender. List of lenders located at www.sba.gov/tx/houston.
- SBA will forgive up to 100% of the loan proceeds if used to cover (8) weeks or (24) weeks of eligible expenses, once the loan is disbursed. Covered Period cannot exceed December 31, 2020.
 - Payroll expenses
 - Rent and lease expenses
 - Utility expenses (electricity, gas, water, telephone, transportation and internet access)
 - Mortgage and other interest expenses

Flexibility Act of June 5, 2020 (Seven Changes)

1. Extends the covered period for loan forgiveness from eight weeks after loan disbursement to 24 weeks
 - Borrowers who have already received PPP loans retain the option to use an eight-week covered period.
2. Lowers the requirement that **75** percent of a borrower's loan proceeds must be used/spent for payroll costs during the loan forgiveness covered period to **60** percent for each of these requirements.
3. Provides a safe harbor from reductions in forgiveness, based on reductions in full-time equivalent employees, for borrowers that are unable to return to the same level of business activity prior to February 15, 2020, due to compliance with requirements/guidance between March 1, 2020 and December 31, 2020 by the:
 - Secretary of Health and Human Services
 - Director of the Centers for Disease Control and Prevention
 - Occupational Safety and Health Administration, related to worker or customer safety requirements related to COVID-19.

Flexibility Act of June 5, 2020

(Changes 4-7)

4. Provides a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees...
 - unable to rehire individuals who were employees of the borrower on February 15, 2020
 - unable to hire similarly qualified employees for unfilled positions by December 31, 2020.
5. Increases to five years the maturity of PPP loans that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
 - For loans before that time; contact your lender to see if they will adjust to the 5-year term.
6. Extends the deferral period for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender
 - or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period.
7. Removed the restriction of participating in the deferment (employer portion) of social security payroll tax if you received a PPP loan. Now you can defer through December 31, 2020 and pay the balance deferred 50% on December 31, 2021 and 50% on December 31, 2022.

Loan Details

- No collateral required
- No personal guarantees required
- No fees charged to the Borrower
- Payments are deferred

Resource Partners



Important Non-Monetary Assistance from SBA

SBA has three local Resource Partners

- Texas Gulf Coast Small Business Development Centers (SBDC)
- SCORE Mentors
- The WBEA Women's Business Center (WBC)

A range of help during the downturn, to include:

- Cash flow management
- Messaging and Social Media
- Import/Export
- Supply Chain
- Strategic Planning
- Risk management and Insurance counseling

Contact Information

Small Business Development Center 713-752-8444 www.sbdc.uh.edu	Houston SCORE 713-487-6565 www.houston.score.org
Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center	U.S. Small Business Administration 713-773-6500 SIGN-UP FOR EMAIL UPDATES: www.sba.gov/tx/houston FOLLOW US ON TWITTER: @SBA_Houston

Additional Resources



Additional Resources

- Visit with your existing bank
- The LiftFund Program
- Texas Restaurant Association Grant Program
- Check your local EDC (ex.- Galveston EDP Short-term Loan Program)
- Brazos Valley Community Relief Grant
- Harris County Small Business Recovery Fund
- U.S. Chamber of Commerce 'Save Small Business Fund'
- Allied Arts Grant program for artists
- Hello Alice COVID-19 Grant
- Non-Profit Organization Assistance
- Visit your local Chamber of Commerce
- Houston Business Development, Inc.
- Fort Bend County Grant Program

Frequently Asked Questions



Questions

- Visit www.sba.gov/tx/houston, under Coronavirus resources:
 - *For a copy of this slide deck*
 - *Houston District SBA lender list*
- Can I check status of my EIDL application?
 - *1 800 659 2955 or disastercustomerservice@sba.gov*
- Are EIDL loans forgiven?
 - *NO, but the Advance is a grant (is forgiven)*

Questions

- Can I apply for both EIDL and PPP?
 - *YES; however, you cannot duplicate costs.*
- I have already submitted my PPP application. Can I submit for the EIDL loan?
 - *YES, just don't duplicate costs included in the EIDL.*

Questions

- Are faith-based organizations, including houses of worship, eligible to receive SBA loans under the EIDL program?
 - *Yes, and we additionally clarify that faith-based organizations are eligible to receive SBA loans regardless of whether they provide secular social services. That is, no otherwise eligible organization will be disqualified from receiving a loan because of the religious nature, religious identity, or religious speech of the organization.*

Questions

- I received an email with an SBA logo. How do I know it is real?
 - *If its from the SBA it will have a **.gov** email address*
- Someone contacted me promising they can get me approved and move me to the head of the line – for a fee. Is this real?
 - *Suspect fraud!*
 - *Report any suspected fraud to OIG's Hotline at 800-767-0385 or online at, <https://bit.ly/2UxdAhL>*

For questions about your specific situation

- *For the EIDL Loan - SBA Disaster Customer Service:*
 - 1-800-659-2955 -- TTY: 1-800-877-8339
 - e-mail disastercustomerservice@sba.gov
- *One of our Resource Partners for general guidance:*
 - Texas Gulf Coast SBDC 713-752-8444 www.sbdh.uh.edu
 - Houston SCORE 713-487-6565 www.houston.score.org
 - Women's Business Center 713-681-9232 www.wbea-texas.org/womens-business-center

References and Guidance

- IFR 136/Borrower (5/22/2020)
<https://home.treasury.gov/system/files/136/PPP-IFR-Loan-Forgiveness.pdf>
- HR7010 - 'Paycheck Protection Program Flexibility Act of 2020' (6/5/2020) <https://www.congress.gov/bill/116th-congress/house-bill/7010>
- 19th IFR – 13 CFR Part 120 (6/17/2020)
<https://home.treasury.gov/system/files/136/PPP-IFR--Revisions-to-the-Third-and-Sixth-Interim-Final-Rules.pdf>
- 20th IFR – 13 CFR Part 120 (6/22/2020)
<https://home.treasury.gov/system/files/136/PPP--IFR--Revisions-to-Loan-Forgiveness-Interim-Final-Rule-and-SBA-Loan-Review-Procedures-Interim-Final-Rule.pdf>

“A dream doesn’t become reality through magic; it takes sweat, determination and hard work.” -*Colin Powell*